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27 **IN THE UNITED STATES DISTRICT COURT
28 FOR THE NORTHERN MARIANA ISLANDS
BANKRUPTCY DIVISION**

29
30 In re
31
32 IMPERIAL PACIFIC INTERNATIONAL
33 (CNMI), LLC,
34
35 Debtor and
36 Debtor-in-Possession.
37

38 Case No. 1:24-bk-00002
39

40 **MOTION BY JUDGMENT CREDITORS
41 JOSHUA GRAY AND U.S.A. FANTER TO
42 DISTRIBUTE PROCEEDS FROM
43 AUCTION OF IPI'S VEHICLES**

44
45 Hearing Date: January 31, 2025
46 Hearing Time: 9:00 a.m. ChST
47 Judge: Hon. Robert J. Faris
48

1 Secured judgment creditors Joshua Gray (“Gray”) and U.S.A. Fanter (“Fanter”) (together, the
 2 “Movants”) respectfully move this Court to authorize the distribution of the remaining proceeds from
 3 the sale of 11 vehicles (the “Vehicles”) belonging to the debtor Imperial Pacific International
 4 (CNMI), LLC (the “Debtor”). The Court has already approved a distribution of commissions and
 5 costs to the limited receiver Clear Management Ltd. (“Clear”), who auctioned the Vehicles, and
 6 \$267,627.16 in sale proceeds remain in the escrow account of Clear’s attorney. (See ECF No. 265).
 7 Movants request that the Court authorize that \$167,627.16 of these funds be distributed to Fanter and
 8 \$100,000.00 to Gray.
 9

10 The relevant parties have all executed a Stipulation in Support of Judgment Creditors Joshua
 11 Gray and U.S.A. Fanter’s Motion to Distribute Proceeds from Auction of IPI’s Vehicles (the
 12 “Stipulation”), dated December 13, 2024, which is attached as **Exhibit A** (hereinafter, the
 13 “Stipulation”). In particular, the Debtor, the Official Committee of General Unsecured Creditors (the
 14 “Committee”), and the other secured creditors in the case—the Commonwealth of the Northern
 15 Mariana Islands (the “CNMI”) and The Law Office of Michael W. Dotts, LLC (“Dotts”)—have
 16 consented to the distribution proposed by the Movants. (Stipulation ¶ 8).
 17

19 **BACKGROUND**

20 On April 19, 2024 (the “Petition Date”), the Debtor filed a voluntary petition under chapter
 21 11 of the Bankruptcy Code with this Court. Prior to the Petition Date, judgment creditors Gray, Fanter
 22 and Dotts each obtained a judgment against the Debtor.
 23

24 On November 30, 2022, the U.S. District Court for the Northern Mariana Islands (the “District
 25 Court”) entered a judgment against the Debtor in favor of Fanter in the amount of \$226,127.05 plus
 26 post-judgment interest. Thereafter, the District Court issued Fanter a Writ of Execution against the
 27 Debtor’s motor vehicles and heavy equipment, which was properly served on the Debtor by the U.S.
 28

1 Marshals. The District Court then appointed Clear Management Ltd. (“Clear”) as a limited receiver
2 to auction that property. (Stipulation ¶ 3).

3 On May 31, 2023, the District Court entered judgment in favor of Gray against the Debtor in
4 the amount of \$5,686,182.20 plus pre-judgment interest, post-judgment interest, and attorneys’ fees
5 and costs. Gray then obtained a Writ of Execution against six enumerated categories of the Debtor’s
6 personal property, including the Debtor’s motor vehicles. Gray properly served the Writ of Execution
7 on the Debtor via the U.S. Marshals. (Stipulation ¶ 4).

8 Prior to the Petition Date, Clear had already conducted an online auction to sell 11 of the
9 Debtor’s vehicles and even received payment from some of the winning bidders. Although the
10 completion of the sales was initially stayed upon the filing of the Petition, upon the stipulation of the
11 Debtor, the Committee, and secured creditors (ECF Nos. 148, 156), the Court later authorized Clear
12 to complete the sale. (ECF No. 189). The Vehicles were sold at auction for a total of \$375,500.00.
13 (ECF No. 216). The Court then approved the distribution of \$107,872.84 of commissions and costs
14 to Clear and its attorney. (ECF No. 265). Accordingly, \$267,627.16 remains in the escrow account
15 to Clear and its attorney. (Id.).
16
17

19 ARGUMENT

20 In light of the fact that the Movants are secured judgment creditors with a security interest in
21 the Vehicles, and the fact that all relevant parties have executed the Stipulation, the Movants
22 respectfully request that Clear be authorized to distribute the remaining proceeds from the Vehicle
23 sale Fanter and Gray in accordance with the Stipulation. To the extent that it is necessary to lift the
24 automatic stay in order to grant this Motion and distribute the remaining funds from the vehicle sale,
25 the Movants also request that the Court grant such relief under Section 362 of the Bankruptcy Code
26 for this purpose—to which the parties have also stipulated. (Stipulation ¶ 9).
27
28

Respectfully submitted,

—/s/—

Aaron Halegua

Bruce Berline

John-Patrick M. Fritz

Attorneys for Joshua Gray

— /s/ —

Colin Thompson

Attorney for U.S.A. Fanter

Exhibit A

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**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN MARIANA ISLANDS
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19 In re

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21 IMPERIAL PACIFIC INTERNATIONAL
22 (CNMI), LLC,

23 Debtor and
24 Debtor-in-Possession.

Case No. 1:24-bk-00002

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**STIPULATION IN SUPPORT OF
JUDGMENT CREDITORS JOSHUA GRAY
AND U.S.A. FANTER'S MOTION TO
DISTRIBUTE PROCEEDS FROM
AUCTION OF IPI'S VEHICLES**

Hearing Date: n/a
Hearing Time: n/a
Judge: Hon. Robert J. Faris

1 Secured creditors Joshua Gray (“Gray”), U.S.A. Fanter (“Fanter”), The Law Office of Michael
 2 W. Dotts, LLC (“Dotts”), and the Commonwealth of the Northern Mariana Islands (the “CNMI”)
 3 (together, the “Secured Creditors”),¹ the Official Committee of General Unsecured Creditors (the
 4 “Committee”), and the debtor and debtor in possession Imperial Pacific International (CNMI), LLC (the
 5 “Debtor”) (together, the “Parties”), through their counsel, hereby stipulate and agree:

7 1. On April 19, 2024 (the “Petition Date”), the Debtor filed a voluntary petition under
 8 chapter 11 of the Bankruptcy Code with this Court.

9 2. Prior to the Petition Date, judgment creditors Gray, Fanter and Dotts each obtained a
 10 judgment against the Debtor.

11 3. On November 30, 2022, the U.S. District Court for the Northern Mariana Islands (the
 12 “District Court”) entered a judgment against the Debtor in favor of Fanter in the amount of
 13 \$226,127.05 plus post-judgment interest. Thereafter, the District Court issued Fanter a Writ of
 14 Execution against the Debtor’s motor vehicles and heavy equipment, which was properly served on
 15 the Debtor by the U.S. Marshals. The District Court then appointed Clear Management Ltd. (“Clear”)
 16 as a limited receiver to auction that property.

17 4. On May 31, 2023, the District Court entered judgment in favor of Gray against the Debtor
 18 in the amount of \$5,686,182.20 plus pre-judgment interest, post-judgment interest, and attorneys’
 19 fees and costs. Gray then obtained a Writ of Execution against six enumerated categories of the
 20 Debtor’s personal property, including the Debtor’s motor vehicles. Gray properly served the Writ of
 21 Execution on the Debtor via the U.S. Marshals.

22 5. Prior to the Petition Date, Clear had already conducted an online auction to sell 11 of the
 23 Debtor’s vehicles and even received payment from some of the winning bidders.

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 28 ¹ A proof of claim has been filed by each of the Secured Creditors: Gray (Claim 15); Fanter (Claim 31); Dotts (Claim 13); and the CNMI (Claim 26).

1 6. Although the Debtor's bankruptcy petition initially stayed the sale of the vehicles, based
2 upon a Stipulation filed by Gray, Fanter, Dotts, the CNMI, and the Committee, the Court then ordered
3 that the stay should be lifted so that Clear may complete the sale of the 11 vehicles. (ECF No. 189).
4

5 7. Clear sold the 11 vehicles for a total of \$375,500.00. The Court then approved the
6 distribution of \$107,872.84 of commissions and costs to Clear and its attorney. Accordingly,
7 \$267,627.16 remains in the escrow account of Clear's attorney. (ECF No. 265).

8 8. The Parties have agreed that the remaining funds should be distributed as follows:
9 \$167,627.16 paid to Fanter and \$100,000.00 paid to Gray towards the satisfaction of their judgments.
10

11 9. To the extent that it is necessary to lift the automatic stay in order to make the distribution
12 contemplated by this Stipulation, the Parties support granting limited relief from the automatic stay
13 under Section 362 of the Bankruptcy Code for such purpose.
14

15 Dated: December 13, 2024
16

17 SIGNATURES:

18 _____
19 /s/ _____
20 Aaron Halegua
21 Bruce Berline
22 John-Patrick M. Fritz
23 *Attorneys for Judgment Creditor Gray*

24 _____
25 /s/ _____
26 Colin Thompson
27 *Attorney for Judgment Creditor Fanter*

28 _____
29 /s/ _____
30 Michael Dotts
31 *Attorney for Judgment Creditor Michael Dotts*

1
2 /s/
3

J. Robert Glass, Jr.
Attorney for the CNMI

4
5 /s/
6

Aram Ordubegian
*Attorney for the Official Committee of
General Unsecured Creditors*

7
8 /s/
9

Chuck Choi
Attorney for the Imperial Pacific International (CNMI), LLC

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